

## **Manchester City Council Report for Information**

**Report to:** Audit Committee - 23 November 2021

**Subject:** Outstanding Audit Recommendations

**Report of:** Deputy Chief Executive and City Treasurer / Head of Audit and Risk Management

---

### **Summary**

In accordance with Public Sector Internal Audit Standards, the Head of Audit and Risk Management must “establish and maintain a system to monitor the disposition of results communicated to management; and a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action”. For Manchester City Council this system includes reporting to directors and their management teams, Strategic Management Team, Executive Members and Audit Committee. This report summarises the current implementation position and arrangements for monitoring and reporting internal and external audit recommendations.

---

### **Recommendations**

Audit Committee is requested to note the current process and position in respect of high priority Internal Audit recommendations.

### **Wards Affected:**

All

---

### **Contact Officers:**

Name: Carol Culley  
Position: Deputy Chief Executive and City Treasurer  
Tel: (0161) 234 3506  
E-mail: carol.culley@manchester.gov.uk

Name: Tom Powell  
Position: Head of Internal Audit and Risk Management  
Tel: (0161) 234 5273  
E-mail: tom.powell@manchester.gov.uk

Name: Richard Thomas  
Position: Deputy Head of Internal Audit and Risk Management  
Tel: (0161) 455 1019  
E-mail: richard.thomas@manchester.gov.uk

**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to four years after the date of the meeting. If you would like a copy, please contact one of the contact officers overleaf.

- Outstanding Audit Recommendations Report to Audit Committee - July 2021
- Head of Audit and Risk Management Annual Opinion – June 2021

## **1 Introduction**

- 1.1 Audit Committee are provided with regular reports on actions taken to address outstanding high priority recommendations made by both Internal and External Audit.
- 1.2 There are four categories of recommendation priority: critical, significant, moderate and minor. This report provides the details of progress to address outstanding recommendations in the high risk (critical and significant) categories and an update on proposed next steps. This report focuses solely on Internal Audit recommendations, as there are currently no high priority External Audit recommendations currently outstanding.

## **2 Standard Process**

- 2.1 Internal Audit usually follows up management actions on high-risk recommendations at least quarterly to obtain assurance that progress is being made to address risk. Management is required to provide demonstrable evidence to show that agreed actions have been implemented. Internal Audit considers this evidence and may choose to re-test systems and controls on a risk basis to provide assurance that agreed improvement actions have been implemented and are operating effectively.
- 2.2 Where a limited or no assurance opinion is issued, a full follow up audit is undertaken after 6-12 months to test whether agreed areas for improvement have been addressed.
- 2.3 Progress made in the implementation of agreed actions from audit reports is reported quarterly to Directorate Leadership Teams (DLTs), Strategic Management Team (SMT) and Audit Committee. Executive Members are notified of high priority recommendations reaching six months overdue. At nine months overdue, Strategic Directors are required to attend Audit Committee with the relevant Executive Member to explain the position and progress to either address or accept the reported risks.
- 2.4 In accordance with Audit Committee expectations, the risk relating to recommendations that are not fully implemented will not be written back to Strategic Directors when they are over 12 months past the agreed implementation date. This period has been extended to 18 months and Directors will continue to attend Committee to outline the reasons for delay and mitigating actions that they consider have reduced risk exposure to a tolerable level.

### **Current Implementation Position**

- 2.5 The position in terms of high priority internal audit recommendations implemented is summarised below and in detail at Appendix 1. Overdue recommendations are detailed in Appendices 2 and 3.

### **Outstanding Recommendations – over 12 months**

- 2.6 Of six outstanding recommendations reported to Audit Committee in July 2021, three from the audit of Planning for Permanence in Childrens Services have been confirmed as implemented. The three remaining recommendations are as follows:

Directorate	Audit Title	Due Date	Months	Status
Adults	Mental Health Casework	30/9/19	25	Not implemented
Adults	Transitions	30/6/18	40	Partially implemented
Growth and Development	Section 106 Agreements	31/5/20	17	Partially implemented

- 2.7 Mental Health Casework – seven recommendations have been addressed but one remains outstanding. This relates to the development of processes for reconciling safeguarding referrals and the outcomes of these between the Council and the Trust. This is currently a manual process that involves re-keying of information between systems and as such is time intensive and presents risk of error. Issues arising from the Council’s move to Liquid Logic and the Trust’s move to Paris, along with a change in priorities and working arrangements because of Covid19 have impacted on both organisations’ abilities to prioritise this work. Work is planned to develop the required reconciliation processes between Liquid Logic and Paris but we understand this is unlikely to be in place until late 2021.
- 2.8 Transitions – As previously reported to Audit Committee this audit resulted in three recommendations of which two have been completed. The final one to be implemented relates to the agreement of Success Criteria for transitions from childrens to adults social care. These are being developed as part of the Better Outcomes Better Lives Programme and review of these criteria will be undertaken as part of a planned audit of the BOBL programme in December 2021.
- 2.9 Section 106 Agreements - Significant work has been completed to create a new database; providing clear and comprehensive information required to monitor and report the status of S106 across the Council. The database continues to be updated, refined and improved, on an incremental basis. To assure that this positive progress continued and that positive changes were sustained, we classed the recommendation as being ‘partially implemented’. Changes in operational governance and a revision of the staffing structure are planned to facilitate and enable this. Following the appointment of the new Director for Growth and Development, structure plans are now scheduled to be completed by December 2021 with recruitment expected by the end of February 2022. We will close the recommendation as complete once this final element of the process is complete.

**Significant / Critical Overdue Recommendations – less than 3 months**

- 2.10 There are three recommendations that have been overdue for less than three months. One is partially implemented and relates to Our Town Hall (Management of Work Packages) and the other relates to Children’s Services Placement

Finding.

**Not Yet Due**

2.11 A total of 17 recommendations are not yet overdue (8 moderate / 9 significant) that will be tracked through to implementation. These have been agreed as part of audit work and reports finalised in the period May 2021 to October 2021.

**3 Recommendations**

3.1 Audit Committee is requested to note the current process and position in respect of high priority Internal Audit recommendations.